

(7)

GRAZING LEASE

This Grazing Lease (this "Lease") is made and entered into by and between **Ray K. and Betty J. Sloan and or assigned, ("Lessor")**, and **Charles K. and Tracy L. Miller and or assigned, ("Lessee")**, both parties being residents of Tarrant County, Texas.

In consideration of the mutual covenants and agreements set forth in this Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed by Lessor and Lessee, Lessor does hereby demise and lease to Lessee, and Lessee does hereby lease from Lessor, that certain parcel of land situated in Tarrant County, Texas, containing approximately three-tenths of an acre of land, more or less, more particularly described on Exhibit A, as highlighted by hatched parallel lines, attached hereto and made a part hereof for all purposes (the "Premises").

1. TERM. This Lease shall be for a term of ninety-nine (99) years commencing on the lease executed effective date contained herein.

2. TERMINATION.

- a) Lessor – This lease can only be terminated for causes listed under the Default Clause and/or non-payment of fees by the Lessee.
- b) Lessee – This lease can be terminated at any time without cause, by giving the Lessor thirty (30) days written notice.

3. RENT. Lessee agrees to pay to Lessor the sum of \$ 375.00 per year with the first twenty (20) years or "\$7,500.00" paid in advance and is due upon the date of the lease signing. Future payments of \$375.00 per year shall be payable on or before January 1st of each year after the initial twenty years until the term of the lease expires.

4. NO HAZARDOUS MATERIALS. Lessee shall not permit any Hazardous Materials to be brought onto, stored in, used in, or disposed of in, on, under or about the Premises.

5. USE OF PREMISES. Lessee shall use the Premises solely for the purposes of grazing, feeding and pasturing of farm type animals (horses, etc.) that is not to exceed ten (10) animals at any one time. The premises shall be used for no other purpose except for natural rainwater flow and aerobic sprinklers.

6. MAINTENANCE, REPAIR, AND SURRENDER. At the termination of this Lease, Lessee shall surrender and deliver the Premises to Lessor, or its successors and assigns, in a state of repair and condition comparable to the state of repair and condition of the Premises at the time Lessor delivered possession thereof to Lessee, reasonable wear and tear excepted. Specifically, without limitation, any damage to fences occurring during the course of this Lease shall be repaired by Lessee. Lessor shall have no obligation whatsoever to perform any maintenance, repairs or other services in connection with the Premises or this Lease. The Lessee shall exercise due care in the use and maintenance of the leased property, keeping it in good repair and providing periodic mowing as deemed necessary.

7. UTILITIES; TAXES. Lessee shall pay the charges for utilities used by Lessee at the Premises directly to the provider or providers thereof. Lessor shall have no liability or responsibility whatsoever with regard to the existence of, provision of or payment for utilities. Lessor shall pay and fully discharge all taxes, including, without limitation, all ad valorem taxes, special assessments, and governmental charges of every character imposed during the term of this Lease on the Premises and any of Lessor's property located thereon, provided, however, that Lessee shall pay and fully discharge all taxes, special assessments, and governmental charges of every character imposed during the term of this Lease on any fixtures, appliances, livestock, and other personal property placed by Lessee in, on or about the Premises.

8. INDEMNIFICATION. Lessee shall indemnify, defend and hold harmless Lessor and Lessor's directors, officers or employees, from and against all claims, demands, liabilities, losses, costs, damages or expenses (including, without limitation, attorneys' fees, accountants' fees, court costs and interest) resulting or arising from any and all injuries to, including death of, any person or damage to any property caused by the occupancy of the Premises by Lessee and/or the acts or omissions of Lessee or Lessee's agents, employees, or contractors. Lessor shall not be liable to Lessee for any inconvenience or loss to Lessee in connection with any repair, maintenance, damage, destruction, restoration, or replacement of the Premises.

9. WAIVER OF SUBROGATION. Anything in this Lease to the contrary notwithstanding and to the extent permitted by applicable law, each party hereto hereby releases and waives all claims, rights of recovery, and causes of action that either such party or any party claiming by, through, or under such party (including each party's insurers) by subrogation or otherwise may now or hereafter have against the other party or any of the other party's directors, officers, employees, or agents for any loss or damage that may occur to the Premises, or any of the contents of any of the foregoing by reason of force majeure or any other cause, excluding willful misconduct, but including negligence of the parties hereto or their directors, officers, employees, or agents, that is insured against or would have been insured against had the party suffering such loss maintained the insurance required by this Lease. **IT IS THE EXPRESS INTENTION OF LESSOR AND LESSEE THAT THE INDEMNIFICATIONS AND WAIVERS CONTAINED IN THIS SECTION 8 APPLY TO ALL MATTERS DESCRIBED HEREIN, INCLUDING, WITHOUT LIMITATION, ANY OF THE SAME THAT ARE CAUSED IN WHOLE OR IN PART BY THE SOLE OR CONCURRENT NEGLIGENCE OF LESSOR OR LESSOR'S RELATED PARTIES OR LESSEE OR LESSEE'S RELATED PARTIES.**

10. DEFAULT. In the event Lessee fails to perform any or all of its obligations set forth in this Lease, Lessor may elect either one or both of the following described remedies:

- (a) Lessor may terminate this Lease and repossess the Premises; or
- (b) Lessor may pursue any other remedy now or hereafter available to Lessor via Arbitration Section 14.

11. INSPECTION BY LESSOR. Lessor and Lessor's agents and representatives shall have the right to enter into and on the Premises at any reasonable time for the purpose of inspecting, maintaining and making repairs to the Premises, or any other purpose necessary to protect Lessor's interest in the Premises or to perform Lessor's duties, if any, under this Lease.

12. ASSIGNMENT AND SUBLEASE. Lessee may not assign this Lease or sublet any portion of the Premises without the prior written consent of Lessor.

13. ACCEPTANCE OF PREMISES; DISCLAIMER. LESSOR AND LESSEE RECOGNIZE, STIPULATE, AND AGREE THAT LESSEE HAS ACCEPTED THE PREMISES IN ITS CURRENT "AS-IS", "WHERE-IS" CONDITION AND WITH ALL FAULTS AND WITHOUT ANY WARRANTY, REPRESENTATION, EXPRESSED OR IMPLIED, CONCERNING THE CONDITION OR CHARACTERISTICS OF THE PREMISES. WITHOUT LIMITING THE FOREGOING, LESSOR MAKES NO REPRESENTATION OR WARRANTY CONCERNING THE CONDITION OF THE PREMISES, THE FITNESS OF THE PREMISES FOR THE OPERATION OF LESSEE'S BUSINESS, THE FITNESS OF THE PREMISES FOR A PARTICULAR PURPOSE, OR THE FITNESS OF THE PREMISES FOR ANY PURPOSE.

14. ARBITRATION. If parties to this lease cannot reach an agreement on any matter, or problem, the question shall be submitted to an Arbitration Committee for decision. This committee shall be composed of three disinterested persons, one selected by each party hereto and the third party by the two thus selected. The decision of the Arbitration Committee shall be accepted by both parties.

15. MISCELLANEOUS.

(a) This Lease shall be binding upon, and inure to the benefit of, the parties to this Lease and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.

(b) In the event any one or more of the provisions contained in this Lease shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Lease.

(c) This Lease shall constitute the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes any and all prior agreements, written and oral, between the parties hereto, and no amendment, modification, or alteration of the terms hereof shall be binding upon the parties hereto unless the same shall be in writing, dated subsequent hereto, and duly executed by both Lessor and Lessee.

(d) This Lease and the rights and obligations of the parties hereto shall be interpreted, construed, and enforced in accordance with the internal laws of the state in which the Premises is located, without regard to the conflicts of laws principles thereof.

(e) Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating a relationship between the parties hereto other than the relationship of Lessor and Lessee.

(f) The article and section headings used throughout this Lease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Lease.

(g) Time is of the essence with respect to all obligations to be performed hereunder.

(h) In the event that either Lessor or Lessee shall file any proceeding in connection with this Lease, the prevailing party shall be entitled to obtain its attorneys' fees, accountants' fees, court costs, and interest from the other party.

(i) The Lessor shall not alter the current fence line as indicated on "Exhibit A" nor erect any barriers (fence or other obstructions) that would hinder or restrict the Lessee access to the leased property. In addition the Lessor shall take no actions that would reduce the grazing "area" reflected on "Exhibit A"

Lessee

The State of Texas

County of Dallas

Before me, a Notary Public, on this day personally appeared Ray K. Sloan and wife Betty J. Sloan known to me to be the persons whose names are subscribed to the forgoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed. And the said, Betty J. Sloan, wife of Ray K. Sloan, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Betty J. Sloan acknowledged such instrument to be her act and deed and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

Given under my hand and seal of office this 11 day of February 2009

Karen King
Notary Public, State of Texas



Karen King
(Print name of Notary Public here)

My commission expires the 2nd day of August 2011

Lessor

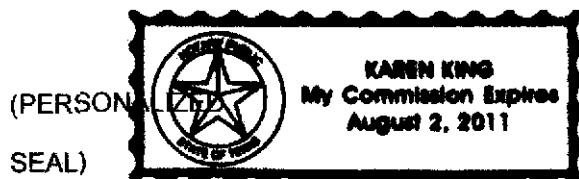
The State of Texas

County of Dallas

Before me, a Notary Public, on this day personally appeared Charles K. Miller and wife Tracy L. Miller known to me to be the persons whose names are subscribed to the forgoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed. And the said, Tracy L. Miller, wife of Charles K. Miller, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said Betty J Sloan acknowledged such instrument to be her act and deed and declared that she had willingly signed the same for the purposes and consideration therein expressed and that she did not wish to retract it.

Given under my hand and seal of office this 11th day of February 2009

Karen King
Notary Public, State of Texas




Karen King
(Print name of Notary Public here)

My commission expires the 2nd day of August 2011

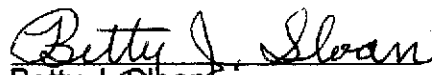
This Lease is executed effective this 11 day of February, 2009.

LESSOR:

By: Ray K. Sloan

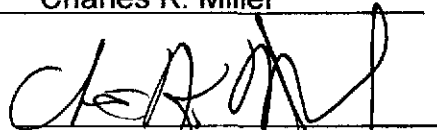

Ray K. Sloan

By: Betty J. Sloan


Betty J. Sloan

LESSEE:

By: Charles K. Miller


Charles K. Miller

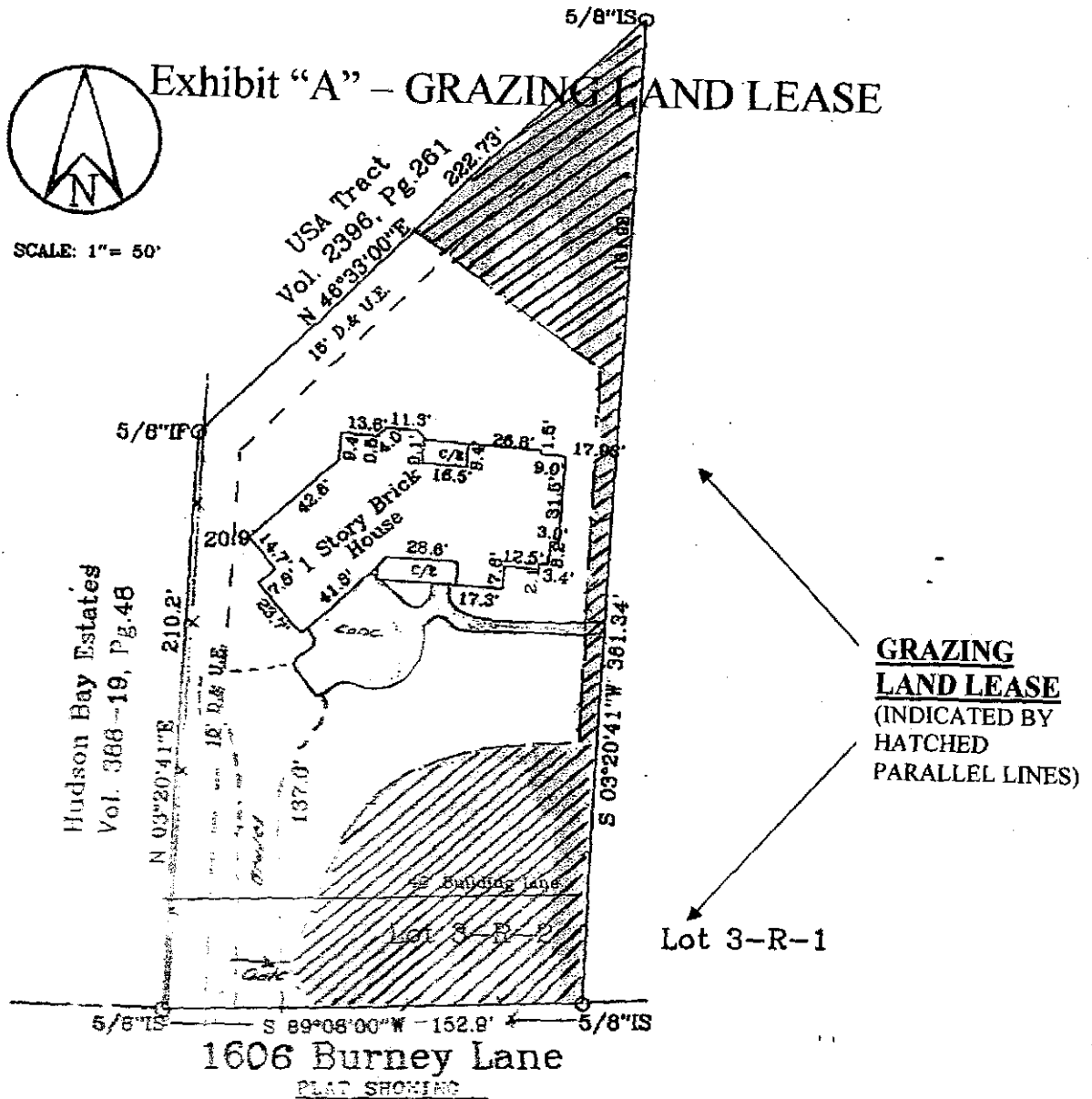
By: Tracy L. Miller


Tracy L. Miller



SCALE: 1" = 50'

Exhibit "A" - GRAZING LAND LEASE



SURVEY OF PREMISES LOCATED ON LOT 3-R-2, OF JOHN CHILDRESS NO. 254 ADDITION TO THE CITY OF SOUTHLAKE, TARRANT COUNTY, TEXAS, ACCORDING TO THE PLAT RECORDED IN CABINET A, SLIDE 4086, PLAT RECORDS, TARRANT COUNTY, TEXAS.

COMMONLY KNOWN AS 1606 BURNLEY LANE.

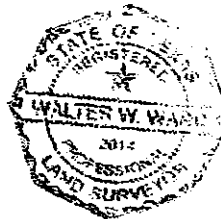
I, Walter W. Ward, Registered Professional Land Surveyor hereby certify to Sellers, Lenders, Purchasers, OWNERS & TITLE CO. and its underwriter that this survey was made on the ground under my supervision and correctly shows the corners, boundary lines, dimensions and area of land indicated hereon, and correctly shows the location of all permanent buildings, structures, and other improvement and visible items on the subject property, and correctly shows the location of all alleys, streets, roads, rights-of-way, easements and other matters of record, of which I have knowledge, which affect the subject property according to the legal description in such matters. The undersigned further certifies that except as shown hereon, there are no visible discrepancies, shortages in area, boundary line conflicts, encroachments, overlapping of improvements, easements or rights-of-way, and the subject property has access to and from a dedicated roadway.

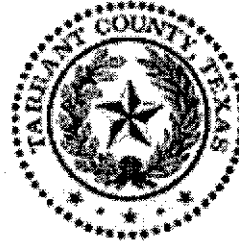
Walter W. Ward

Registered Professional Land Surveyor No. 2014

Date 06-09-04.

According to the FIRM published by FEMA Community Panel No. 48068 DMS H, this lot is not affected by the 100 year flood plain, Zone X.





RAY K SLOAN
1606 BURNEY LN

SOUTHLAKE TX 76092

Submitter: RAY SLOAN

SUZANNE HENDERSON
TARRANT COUNTY CLERK
TARRANT COUNTY COURTHOUSE
100 WEST WEATHERFORD
FORT WORTH, TX 76196-0401

DO NOT DESTROY
WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 03/17/2009 01:24 PM
Instrument #: D209072597
LSE 8 PGS \$40.00

By: _____



D209072597

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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